

HB

529

HFIN

FILE

HOUSE COMMITTEE REPORT

(11)

Date Referred: March 11, 1994

FURTHER REFERRALS:

Date of Committee Action: 3/15/94

The FINANCE Committee considered:

HB 529

HOUSE BILL NO. 529

APPROP: AMEND FY 94 PUBLIC ASSISTANCE

"An Act amending the medical assistance and community developmental disabilities grants appropriations in sec. 38, ch. 65, SLA 1993; and providing for an effective date."

- RECOMMENDATIONS: the same title
 be replaced with _____ a new title
 have attached amendments(s)
 do pass
 do not pass
 no recommendations
 individual recommendations
 additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

- ATTACHES NEW FISCAL NOTE(S): (Dept) _____ APPROVES PREVIOUS: (Dept/Date) _____
 fiscal impact _____ fiscal note(s) _____
 zero fiscal note _____ zero fiscal note(s) _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Ronald J. Larson</i> Larson	X	<i>Eileen P. McKeon</i> McKeon		X	
<i>Mark Hanley</i> Hanley	X	<i>Bonnie Gustafson</i> Gustafson		X	
<i>Perry Martin</i> Martin	X	<i>Tom Hoffner</i> Hoffner		✓	
<i>Jan Ragnell</i> Ragnell	X	<i>Richard Foster</i> Foster		X	
<i>Tan Brown</i> Brown	✓				
<i>Therriault</i> Therriault	X				

Ronald J. Larson
 CHAIRMAN'S SIGNATURE



Representative Mark Hanley **Alaska State Legislature**

POSITION PAPER ON HB 529

The language in HB 529 is identical to Section 22 of HB 455, the FY94 supplemental request.

HB 529 is GF neutral.

In FY94, the Legislature authorized the Governor's request to transfer \$1.6 million from the Community Developmental Disabilities Grant appropriation to the Medical Assistance appropriation. Project CHOICE waivers, budgeted for in Medical Assistance, were to be used to finance care for individuals whose care was previously funded through DD grants.

Project CHOICE waivers did not come on line as quickly as anticipated in FY94, and only \$400,000 has been utilized of the \$1.6 million. At the beginning of FY94, DD grantees were instructed by the department to execute their budgets as if \$1.6 million had not been removed from the grant line. The department assumed that each grantee would receive a comparable benefit from waiver services.

The "fast-track" option has been deemed necessary due to the cash-flow problem grantees will experience beginning late April 1994. Most grantees must prove to their boards of directors that they have cash to cover obligations. If the FY94 supplemental passes in late April or early May, grantees will have to seek lines of credit to cover their remaining obligations in FY94. Several small grantees cannot get credit. Obtaining credit is an unanticipated expense for all grantees.

HB 529 transfers \$1.2 million from Medical Assistance to the DD grant line so that grantees can complete their FY94 operations.

STATE OF ALASKA

WALTER J. HICKEL, GOVERNOR

DEPT. OF HEALTH AND SOCIAL SERVICES
DIVISION OF MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES
 CENTRAL OFFICE

P.O. BOX 110620
 JUNEAU, ALASKA 99801
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June 29, 1993

ADDRESSEE
 BLOCKED OUT. rage

The Department of Health and Social Services, Division of Mental Health and Developmental Disabilities, is pleased to announce an award to ARCA - Residential in the amount of \$871,597. As you recall from the June 22, 1993 letter, you have been awarded a 1.5% increase for maintenance of effort. However, in order to implement the waivers, we have reduced the full grant award by 10% and will make final adjustments in the fourth quarter of the year. The breakout is as follows:

Beginning Award	\$ 954,129
Maintenance of Effort	\$ 14,312
Full Grant Award	\$ 968,441
Less 10%	\$ (96,844)
NGA Award	\$ 871,597

Your first quarter advance will still be twenty-five percent of the full grant award (\$242,110). This award is subject to final reconciliation of funds between the Division and your agency.

The following special requirements are being applied to your grant:

- Submit updated total agency budget
- Gas, oil, and maintenance are included in the budget. Explain what "use of vans" pays for.
- Explain what "use of facilities/rent" pays for; breakdown into administrative and direct expenses.
- Provide list of proposed equipment expenditures.
- Resubmit A&G rate determination; an example is enclosed.
- Clarify the number of respite hours to be delivered.
- The proposal was inconsistent describing the day activity program component. Work with the Division to clarify the discrepancy.

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June 29, 1993

These items must be addressed and submitted for approval by August 31, 1993. Second quarter funding will not be released until submissions are received and approved.

In order to process your award, the following documents must be returned to us as quickly as possible:

1. Notification of Grant Award (NGA) - Signed and dated (must be the original one page form) with the enclosed Special Conditions and General Program Conditions attached. Please note that the Special Conditions and General Program Conditions have been amended.
2. Revised budget detail and budget narrative to reflect the NGA award. Please note that the 10% that was reduced from the grant award can be included in the revised budget as "other" and also listed as "other" on the NGA to reflect "total project cost" Programs should not be cut - this is not the intent.
3. Quarterly Advance Form - Signed and Dated
4. Service Category Budget Summary Sheet

Copies of the above listed forms are enclosed as well as the cumulative fiscal report and budget revision forms. Some of the forms may be different than the ones you have used in FY 93. Please use the enclosed forms in FY 94. If you have questions regarding any of the above, please call Diana Ray at 465-3370.

We sincerely appreciate the dedication and quality of support you and your staff have provided to all of our mutual clients and their families over the past year. We look forward to another year of working with you as we continue to make progress in the delivery of services to persons experiencing a developmental disability.

Sincerely,

Diana Ray
for Mike Renfro
Developmental Disabilities
Program Administrator

ASETS*

*Alaska Specialized Education and Training Services, Inc.
A Non-profit Alaskan Corporation

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Karen Ward, Ed.D.
Executive Director

February 23, 1994

Representative Ron Larson
House of Representatives
State Capitol
Juneau, AK 99801-1182

Dear Representative Larson:

On behalf of persons with developmental disabilities and their families, we urge you to introduce separate legislation that separates the Community Developmental Disabilities (DD) grants supplemental funding request (HB 455, Section 22) from the rest of the requests in HB 455. This legislation would add \$1.2 million to DMHDD budget and delete \$1.2 million from DMH. The Community DD grants supplemental request does not ask for additional money.

Community DD grants were reduced by \$1.6 million to medical assistance to implement Project Choice waivers. Due to circumstances beyond the grantees control, Project Choice implementation was delayed.

DD community services are at risk, and hundreds of persons with developmental disabilities may be without services unless the \$1.2 is transferred back to DMHDD.

In order to ensure that vital services to children and adults continue, you must act by April 1, 1994.

We urge you to act expeditiously and thank you for your concern.

Sincerely,



Karen Ward, Ed.D.
Executive Director

cc: House Finance Committee



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February 23, 1994

FEB 28 1994

Rep. Mark Hanley
House Finance Committee
Juneau, AK

Dear Representative Hanley,

I am writing to you on behalf of children and adults who depend on vital services provided by Developmental Disabilities Grantees throughout Alaska.

If immediate action is not taken, many providers are going to be forced to drastically reduce or eliminate services as of April 1, 1994.

I urge you to introduce separate legislation that would pull Section 22, Supplemental for Development Disabilities Community Grants, from HB 455. This portion of the supplemental is unique in that it is not new or additional money. It is simply an add/delete that would transfer back the 1.2 million from the Division of Medical Assistance budget to the Division of Mental Health and Developmental Disabilities. The money was transferred last year in anticipation of fully implementing the Medicaid Waivers, and as you know this has not happened.

The administration has indicated that without legislative action, they will not have the resources to pay for services during the fourth quarter of this year.

HB 455 has many important components. However, because of the extreme impact on programs included in Section 22 and the fact that moving this section along without the rest will not increase the budget, I strongly believe separating Section 22 from HB 455 will best serve the needs of Alaskans.

Thank you in advance for your consideration.

Sincerely,

Rick Tessandore
Executive Director